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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
)
Policies and Rules for)
Licensing Fallow 800 MHz)
Specialized Mobile Radio)
Spectrum Through a Competitive)
Bidding Process)

RM - 7985

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY


TO: The Commission

COMMENTS ON PETITION FOR RULEMAKING

Respectfully submitted,

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SUMMARY

Fleet Call's recommendation that the rules governing SMR systems be modified to facilitate nationwide SMR roaming capability has substantial merit. The movement toward wide-area metropolitan and regional SMR systems which has occurred naturally in urban areas will be slow to develop in secondary and rural markets without regulatory relief along the lines suggested by Fleet Call. AMTA disagrees with Fleet Call's proposal that the FCC adopt an auction system of issuing "innovator block" licenses, but urges the Commission to proceed with other aspects of the instant Petition as modified herein.

While AMTA shares Fleet Call's belief that its "innovator block" concept would prove the catalyst for ubiquitous roaming capability, the Association is also convinced that no such mechanism will be needed in areas within the FCC-defined wait list markets. The Association is confident that there is sufficient user demand in those areas to ensure a natural migration toward roaming capability, but not enough "available" spectrum to support both that effort and an innovator block. By creating innovator block opportunities outside wait listed markets, the FCC will allow the marketplace to work within those areas while encouraging comparable capability in less populated communities.

AMTA also recommends that the marketplace be permitted to determine the optimal technology to support ubiquitous SMR service. While the digital approach already adopted by Fleet

Call may well be selected by other operators, the Association would prefer to see the SMR industry, rather than the FCC, make that determination. Therefore, AMTA would modify Fleet Call's recommendation and have the FCC establish an innovator block eligibility criterion of committing to utilize technology at least three times more efficient than current analog capability. To the extent that this approach will also produce an open architecture environment, it will further serve the public interest.

If the Commission adopts AMTA's recommendations regarding the areas in which innovator blocks should be made available, and assuming the FCC can simultaneously modify the General Category rules to mirror those applicable to SMR channels, the Association is also prepared to support a modified freeze on assigning innovator block frequencies. The modified proposal would enable both traditional SMR and innovator block licensees to pursue their desired business plans.

Finally, AMTA opposes the assignment by auction of spectrum already allocated to the SMR industry. That aspect of Fleet Call's proposal is not permissible under existing law and could delay substantially implementation of the innovator block proposal. Instead, the Association believes that more stringent pre-lottery and post-licensing requirements would significantly improve the lottery process.

The American Mobile Telecommunications Association, Inc. ("AMTA" or "Association"), pursuant to Section 1.405(a) of the Federal Communications Commission ("FCC" or "Commission") Rules and Regulations, respectfully submits its Comments in the above-entitled proceeding.^{1/} Fleet Call, Inc.'s ("Fleet Call") Petition for Rulemaking recommends establishment of a regulatory structure whereby unused 800 MHz Specialized Mobile Radio ("SMR") Service frequencies would be made available for the development of a seamless nationwide digital Specialized Mobile Radio ("SMR") Service system. Because AMTA shares Fleet Call's vision of delivering to customers the improved coverage, quality, capacity and services made possible by advanced technologies, it believes that Fleet Call's proposal, with appropriate modification, could help to usher in the next stage in the maturation of the SMR industry.

I. INTRODUCTION

AMTA is a nationwide, non-profit trade association dedicated to the interests of the SMR industry. The vast majority of the Association's members provide primarily trunked SMR service throughout the country.

The SMR system has become increasingly recognized as a valuable, highly cost and spectrum efficient provider of two-way

^{1/} Fleet Call Inc., Petition for Rulemaking, In the Matter of Policies and Rules for Licensing Fallow 800 MHz Specialized Mobile Radio Spectrum through a Competitive Bidding Process, RM-7985 (April 22, 1992). (Comment and Reply Comment Dates extended to July 17, 1992 and August 3, 1992 by FCC Order of June 9, 1992, DA 92-711 ("Petition")).

radio communications services. It has unquestionably satisfied the purpose for which it was created: the SMR system has proven eminently successful at amalgamating the dispatch requirements of large numbers of primarily smaller radio users, employing technology which would not be available to any of them individually. It has substantially relieved, but not eliminated, the urban spectrum shortages which would otherwise have denied to many potential users a viable communications option.

As demand for two-way radio service continues to outstrip spectrum supplies in many heavily populated areas, and as interest in wide-area, regional and even national communications capability continues to increase, the SMR community has endeavored to respond. AMTA's membership includes both large and small SMR operators, some of which have already committed or declared their intention to implement advanced technologies which will maximize capacity, quality and service options on currently available frequencies.^{2/} Some operators, particularly those in urban communities, have determined that the efficiency and quality improvements promised by digital technology are best

^{2/} See, e.g., Memorandum Opinion and Order, In re Request of Fleet Call, Inc., 6 FCC Rcd 1533 (1991). ("Fleet Call Order"); Request for Rule Waiver of Advanced Radio Communications Services of Florida, Inc., filed July 15, 1991 ("Advanced Waiver Request"); and Request for Rule Waiver of Mobile Radio New England, filed October 28, 1991 ("MRNE Waiver Request"); The Digital Mobile Network Roaming Consortium members, which include Fleet Call, Transit Communications, American Mobile Systems Incorporated, Dispatch Communications, Inc., and CenCall, have committed to implement digital SMR systems in major markets throughout the country, covering a population of 90 million people.

suited to their subscribers' needs.^{3/} SMR providers in both urban and rural markets have addressed the escalating interest in more ubiquitous coverage by independently or collectively establishing multi-site, wide-area capability. AMTA has consistently supported these efforts.

These market-driven responses to actual user requirements have sometimes been accomplished in spite of, not because of, the regulatory environment in which SMR licensees operate. The so called "40-mile" rule and loading requirements applicable to SMR systems^{4/} have been highly effective at ensuring intense competition among service providers and a high level of usage per frequency on SMR spectrum. However, the current rules are not ideally suited to the establishment of wide-area SMR systems in either urban or rural markets, or to the aggregation of sufficient capacity to warrant investment in advanced technologies outside populated communities.^{5/}

The instant proposal seeks to address these complementary trends of more efficient technology and broader, perhaps even nationwide, SMR roaming capability by establishing substantial blocks of 800 MHz SMR spectrum for use in an advanced digital SMR

^{3/} See footnote 2, supra.

^{4/} 47 C.F.R. §§90.627 and 90.631.

^{5/} The 40-mile rule prohibits an SMR licensee from owning two or more unloaded systems within 40 miles. Given the demanding loading criterion designed to promote the provision of spectrally efficient dispatch-oriented systems, it is often difficult for operators to meet that standard in less populated areas.

system. It further proposes that the Commission seek Congressional authority to assign these "innovator blocks" through a pilot competitive bidding, or auction, process. Fleet Call asserts that by making available to committed entrepreneurs sufficient capacity in secondary and smaller markets to justify the investment in digital technology, the FCC will stimulate implementation of wireless communications capability throughout the country and thereby serve the American public.

AMTA is persuaded that Fleet Call's concept has substantial merit, with the exception of its auction component. If, as Fleet Call describes, there is sufficient unused 800 MHz SMR spectrum to create technically advanced innovator block opportunities while preserving expansion capacity for existing SMRs and the many customers they serve so well, then it is indeed a "win-win" proposition. The Association believes that the proposal can satisfy that definition if modified as described in Section III below.

II. FLEET CALL PROPOSAL

Fleet Call proposes that the FCC establish a regulatory environment which it believes will facilitate the implementation of a seamless nationwide digital SMR system. There are several inter-related ingredients which it recommends as necessary for that purpose.

First, the proposal lists 180 Metropolitan Statistical Areas (MSAs) in which Fleet Call has identified 42 or more unassigned

800 MHz frequencies.^{6/} It recommends that innovator blocks of 42, 63, 84 or the optimal 105 frequencies be designated in any MSA with at least that many unassigned trunked SMR frequencies.^{7/} Fleet Call asserts that its experience in designing and funding its already authorized Digital Mobile networks (commonly referred to as ESMRs - or Enhanced Specialized Mobile Radio Systems) is the predicate for the recommended innovator block size. That technical experience has caused Fleet Call to determine that 42 channels is the minimum and 105 the optimal number of channels to permit implementation of an efficient frequency re-use pattern. The Petition further suggests that sufficient capacity for growth potential will prove indispensable in attracting investor capital to many of the less populated MSAs and RSAs included in the Petition.

Under the proposal, an innovator block authorization would be available for those prepared to implement advanced digital SMR systems at least six times more efficient than existing analog systems. The authorization would entitle the licensee to use any of its innovator block channels at any location within the MSA or RSA as long as normal protection is provided to co-channel

^{6/} As discussed, infra, Fleet Call's frequency analysis was based on a 55-mile co-channel separation rather than the normal 70-mile standard because of the lower power and antenna heights it associates with a wide-area digital system. This analysis produces a greater number of "unassigned" channels than would be available for a more traditional, full-power and antenna height SMR licensee.

^{7/} The proposal assumes that even greater numbers of channels are available in Rural Services Areas (RSAs) and recommends that they be treated similarly. AMTA believes that assumption is correct.

licensees. Thus, these licensees would not be bound by the 40-mile rule. They would, however, be required to utilize a system architecture which would permit interoperability and roaming with neighboring digital systems.

Another ingredient deemed critical in the Petition is that innovator blocks be assigned through a competitive bidding, an auction, process rather than in a lottery or comparative hearing. Fleet Call posits that an auction process will deter speculation and maximize the likelihood that this spectrum will be implemented promptly and efficiently. Since paying for spectrum is assumed to reduce the incentive to stockpile capacity, Fleet Call also proposes a liberal construction and operational standard for these blocks. Licensees would be required to place in operation one base station within eighteen months of grant, and sufficient stations to provide service to 75 percent of either the population or geographic area in the MSA or RSA within five years of grant. No loading requirement is proposed for these systems.

Finally, Fleet Call recommends that the Commission "freeze" the channels intended to be used in an innovator block pending completion of the auction process to deter speculation in spectrum which had not heretofore been requested. The Petition suggests that existing SMR licensees seeking expansion capacity be directed to non-innovator block SMR or General Category

frequencies.^{8/} It further proposes that new applicants would be assigned 900 MHz trunked SMR frequencies.^{9/}

III. DISCUSSION

A) AMTA Recommends that Innovator Blocks Be Established for Advanced Technology SMR Networks in MSAs Outside SMR Wait-Listed Markets

The Commission is already familiar with the pioneering efforts of Fleet Call and other SMR operators who have determined to bring enhanced SMR system capacity and service options to a number of urbanized areas. AMTA is confident that their efforts will be successful and will encourage similar approaches in other metropolitan markets where there is sufficient customer demand to warrant SMR system consolidation. As these individual networks are developed, the Association anticipates an increased desire on the part of customers and system operators to link these facilities to form wider area, regional and even nationwide SMR networks. This growing interest in expanded coverage and roaming capability can be seen in all facets of the wireless communications industry: SMR, cellular, paging, satellite and prospective Personal Communications Service ("PCS") systems.

^{8/} General Category frequencies are currently available for SMR expansion purposes, but under a more stringent standard than spectrum designated for SMR use. They are not available to create a new trunked SMR system.

^{9/} The Commission has not yet made any 900 MHz SMR spectrum available outside of the 50 largest urban areas, thus excluding virtually all of the MSAs and every RSA under consideration in this proceeding. Moreover, no new applications are being accepted even in the 50 top markets.

While the individual SMR licensee operating one or more systems in a limited geographic area will continue to serve important user requirements, the impetus toward more ubiquitous service is also genuine and should be accommodated.

In that respect, AMTA agrees with the Petition's assessment that current SMR rules will inhibit the development of a nationwide, advanced technology SMR network, whether digital or otherwise. The SMR regulatory structure was intended to promote intensive spectrum utilization and system competition in frequency congested markets. The stringent rules governing system construction and loading, as well as the 40-mile rule, accomplished those objectives in urbanized areas. Having done so, the Commission properly recognized that even greater efficiencies and enhancements could be derived if those fully constructed and loaded stations were permitted to be integrated into single, wide-area systems with extended periods to be reconfigured into digital networks.^{10/}

That same approach is not feasible in less populated areas. The urban-oriented loading requirements and the limitations on commonly owned frequencies within a geographic area make it unlikely, perhaps impossible, that sufficient spectrum could be accumulated to justify an investment in more advanced technologies in non-urban areas. While it is possible that individual SMR entrepreneurs will make that commitment in individual markets on an ad hoc basis, the process will be both

^{10/} See footnote 2, supra.

lengthy and uncertain. Because AMTA supports the concept of a nationwide, advanced technology SMR network which will facilitate enhanced roaming capability, it is persuaded that a non-urban "jump start" along the lines proposed by Fleet Call may indeed be appropriate.

The Association's support for the creation of MSA and RSA innovator blocks utilizing 800 MHz SMR spectrum is conditioned on the establishment of rules which will also ensure reasonable growth opportunities for existing SMR licensees. These operators have built an industry which serves many hundreds of thousands of customer units. Many have developed business plans which anticipate a natural, gradual expansion into less congested markets as customer demand dictates, and even the longer-term implementation of digital or other spectrally efficient techniques. To the extent that the designation of spectrum for innovator blocks will not deprive these existing operators of any reasonable ability to pursue their plans, innovator blocks should be approved. The Association recommends the following modifications of the Petition's proposal which it believes will satisfy both objectives.

- 1) Only MSAs Wholly or Partially Outside All 100-Mile Wait List Areas should be Targeted for Innovator Blocks

The Petition proposes that an innovator block be designated in every MSA and RSA with 42 or more vacant 800 MHz frequencies. The block would be assigned 42, 63, 84 or 105 channels, depending upon the number of available frequencies. Although the Petition indicates that it would exclude MSAs and portions of

MSAs within the Commission's defined waiting list areas,^{11/} the associated list of targeted MSAs includes a number of markets which are within 100 miles of areas for which a waiting list exists.^{12/}

AMTA recommends that innovator blocks be designated only in areas wholly or partially outside of the SMR waiting list markets. These markets are defined as the 100-mile radius around the center coordinates of each geographic location at which no SMR channels are available for assignment.^{13/} Waiting list areas have traditionally been used by the FCC and the industry as the delineation between areas of spectrum deficiency and those where spectrum remains available. Therefore, they are an appropriate measuring tool for defining those areas where there is sufficient available capacity to permit traditional SMR market development while also "jump starting" the implementation of advanced technology systems compatible with the developing nationwide SMR network.

The Association believes that this approach more accurately reflects the actual availability of 800 MHz SMR spectrum in various markets. As noted above, Fleet Call's analysis of unassigned frequencies in each MSA is not a particularly useful

^{11/} Petition at footnote 11.

^{12/} Melbourne, Florida; Macon, Georgia; Bloomington, Indiana; Baton Rouge, Louisiana; and Fort Collins, Colorado are a sampling of proposed innovator block MSAs which are within 100 miles of an existing wait list market.

^{13/} See, Private Radio 800 MHz Radio Systems Application Waiting List, released May 22, 1992, Mimeo No. 23186.

tool for assessing the availability of spectrum for existing SMR systems in and around those areas.^{14/} That analysis determined the number of 800 MHz SMR frequencies which were not assigned anywhere within a 55-mile radius of the Fleet Call-defined "core area" in the MSA. While a 55-mile co-channel separation may prove adequate for the types of facilities envisioned by Fleet Call, it is substantially less than the 70-mile protection standard established for SMR stations and, therefore, inflates the number of seemingly available SMR frequencies.

The Association conducted its own sample review of assignable SMR frequencies in a handful of MSA markets targeted in the Petition. This analysis was performed from a location which was closest to the nearest spectrum deficient, or wait listed, market rather than the "core area", although in three of the five cases the coordinates used in the Petition and by AMTA were less than eight miles apart. The Association does not consider any of this information conclusive since the data is constantly changing. Nonetheless, it did confirm a very substantial difference in frequency availability using a 70 rather than 55-mile separation standard. For example, AMTA identified only one rather than 103 frequencies in Fort Collins,

^{14/} The Association would also note that it is misleading to assume that this spectrum is "vacant" because of a lack of operator or customer interest. In many cases the stringent regulatory requirements from which the Petition would relieve innovator block licensees prevented SMR operators from securing highly desired capacity.

Colorado, 20 versus 55 in Columbus, Ohio,^{15/} and five, not 56, in Melbourne, Florida. AMTA's site in the Poughkeepsie, New York market was 12 miles closer to New York City than Fleet Call's core area and channel availability was reduced from 61 to 0. When the Bryan-College Station, Texas analysis was performed some twenty miles closer to Dallas, the number dropped from 74 to 23.

The Association wishes to emphasize that these discrepancies do not necessarily reflect a flaw in Fleet Call's calculations, but rather the difference between apples and oranges. Fleet Call was focused on the number of channels which could be available for a digital SMR system.^{16/} AMTA wished to ensure that establishment of innovator blocks would not deprive existing SMR operators of the opportunity to grow their businesses in response to actual, identifiable customer demand. Thus, to the extent that the Petition overestimates the number of unassigned channels in a market, it may not produce a win-win situation for the entire SMR industry.

For this reason, AMTA urges the FCC to limit innovator blocks to MSAs and RSAs which are wholly or partially outside all 100-mile wait list areas. (See attached map) Innovator block

^{15/} It is particularly difficult to assess channel availability in Canadian border markets because of the complex assignment system in those areas.

^{16/} The FCC and prospective innovator block licensees should also be aware that an "available" innovator block channel may not be usable throughout the MSA. Since these licensees will be required to protect existing co-channel SMR systems, frequencies will be assignable only at locations which provide adequate co-channel protection. This will naturally be more difficult at sites closer to a wait listed area.

authorizations for MSAs that fall partially within a wait list market should encompass only the geographic area outside of the 100-mile radius. This delineation will provide the impetus needed to promote advanced technologies in truly secondary and rural markets while enabling existing licensees to implement comparably improved techniques in the normal course of business. In fact, by creating innovator blocks outside of waiting list markets, the FCC will undoubtedly accelerate investments by licensees within those areas which wish to participate in an enhanced roaming network.

- 2) Eligibility for Innovator Block Authorization Should Be Limited to Those Proposing to Use Advanced Technologies at Least Three Times More Efficient Than Current Analog Capability

The Petition recommends that innovator block licenses be issued conditioned upon a commitment to building advanced digital SMR systems with a minimum six times greater efficiency than traditional analog systems. This standard is consistent with the Motorola "MIRS" technology already selected by Fleet Call and Advanced, and identified as the likely choice of other Consortium members. It is a fundamental premise of the Petition, and one shared by AMTA, that relief from the traditional SMR construction and loading requirements should be authorized only for systems which will provide significant improvements in spectrum efficiency, as well as advances in service quality and options.

Nonetheless, AMTA is reluctant to recommend any technology-specific standard. The Association is convinced that decisions regarding optimal technology and equipment choice are best made in the marketplace by system operators. The FCC is the proper entity to establish the baseline efficiency requirement to qualify for innovator block status. The SMR industry, individually and collectively, should then be free to select the system(s) most likely to provide attractive customer services at a reasonable cost. To the extent that one particular technology is implemented in the major urban areas, it may well be chosen by those who wish to enhance roaming capability with those markets. That is an appropriate marketplace response in a technically flexible environment. On the other hand, advances in technology have consistently expanded the available choices in the telecommunications arena. It would be unfortunate potentially to curtail certain options by unnecessarily substituting regulatory for marketplace decision making.^{17/}

Therefore, AMTA recommends that the FCC limit innovator block eligibility to systems employing advanced, but not necessarily digital, technology at least three time more efficient than current analog systems. This requirement is defined as technology which will enable three information channels to be transmitted over each 25 KHz of bandwidth.

^{17/} The Association also opposes any regulatory attempt to require roaming agreements for innovator block licensees. Even if the FCC had legal authority to impose such an obligation, it would be contrary to public policy in a competitive, healthy marketplace such as the SMR industry.

The Association believes that such a criterion appropriately balances efficiency improvements and technology choices. It further hopes that this approach will produce an open architecture marketplace environment wherein multiple sources of subscriber products, fixed network equipment, infrastructure and switching systems are available and capable of providing the appearance of transparent service to customers. If that objective is accomplished, AMTA is confident that a seamless, nationwide SMR network can soon become a reality.

B) AMTA Supports the Limited Freeze Described Below If Innovator Blocks are Limited to Non-Wait List Areas and if the FCC Simultaneously Modifies Its Rules Regarding General Category Frequencies

In its Petition, Fleet Call requests that the Commission not grant any additional licenses on innovator block channels, pending selection of innovator block licenses. It argues that without a freeze, speculators will apply for these frequencies in anticipation of deriving the higher value they may be assigned if the Petition is granted.^{18/}

AMTA appreciates Fleet Call's concern. Because the Association endorses the innovator block concept as modified herein, as well as the broader objective of facilitating implementation of a nationwide SMR system, it wishes to preserve that opportunity from purely speculative encroachment.

^{18/} On June 30, 1992, Fleet Call filed a Petition to Initiate Inquiry asking that the Commission examine the bona fides of various recent applicants for systems in the targeted MSAs.

On the other hand, the freeze proposed by Fleet Call, coupled with the inclusion of MSAs with severely limited SMR spectrum reserves and current limitations on the use of General Category frequencies for SMR expansion, would unquestionably inhibit the legitimate business plans of qualified SMR operators. In this as in other aspects of the Petition, AMTA's enthusiasm for the promise of innovator blocks is tempered by its commitment to today's SMR operator and the customers he serves. It can support the former to the extent that it can reasonably assure the viability of the latter.

Therefore, AMTA would support a freeze on the assignment of innovator block channels under certain conditions. The first, as noted above, is that only MSAs and RSAs wholly or partially outside of a wait listed area be included in the proposal. SMR operators in markets of limited spectrum availability will thus be unaffected, while there appears to be ample capacity outside those markets to accommodate both traditional and advanced technology interests.

A second condition was already suggested in the Petition. Fleet Call recommended that existing SMRs be permitted to access General Category frequencies on the same basis that they are currently assigned SMR channels, but suggested that new applicants be directed to 900 MHz spectrum. AMTA proposes a different approach. Simultaneous with any freeze on innovator block spectrum the FCC must amend its rules to make General Category frequencies available for existing and new SMR

applicants under rules identical to those which govern SMR channels. Specifically, the rules must be revised so that General Category frequencies may be assigned in five channel blocks to establish new SMR systems and to expand existing systems. General Category spectrum would be used only after all non-innovator block SMR frequencies had been assigned.

Finally, AMTA's support for an innovator block freeze is conditioned upon existing licensees being permitted to invade that block to expand existing systems if all other spectrum sources have been exhausted, until such time as the innovator block license is issued. While the relief provided by access to General Category channels should make this condition of limited applicability, it is a necessary safety valve for existing operations.

C. AMTA Believes That More Stringent Lottery and Licensing Requirements Can Satisfy All Public Policy Objectives Claimed for Auctions Except The Revenue Raising Function

As previously noted, there is much in Fleet Call's Petition that AMTA endorses. The Association shares Fleet Call's vision of seamless nationwide SMR coverage. AMTA is optimistic that a ubiquitous SMR network can be implemented without inhibiting the reasonable business plans and expectations of existing SMR operators and with minimal regulatory involvement. Unlike Fleet Call, however, AMTA remains unpersuaded that these objectives will be best accomplished by awarding innovator block authorizations through a competitive bidding, a spectrum auction, process.

Any discussion regarding the merits or demerits of auctions must first recognize that Congress has yet to authorize Commission use of such a method of granting licenses, even on a pilot program basis. The legislation recently introduced by Senators Inouye and Stevens is a significant step toward that approval, but it is not yet the law. As Presidential and Congressional elections draw closer, the prospect of legislation during this term becomes more remote. Even auction proponents should be considering alternative license assignment systems if they believe that Fleet Call's proposal has merit independent of its revenue raising potential.

AMTA is familiar with the arguments most frequently articulated by those who favor auctions. First, proponents claim that spectrum will be put to its best (most efficient and most publicly beneficial) use by those who value it most highly and who have had to pay for it in a competitive bidding process. They also note that private auctions are being held today when licenses acquired from the FCC at effectively no cost are transferred to third parties with the revenue going to the original licensee rather than the Federal Treasury. Finally, advocates claim that auctions may simply be the best of unsatisfactory options in the auction, lottery and comparative hearing triumvirate.

AMTA is not persuaded that those who buy spectrum will necessarily use it more efficiently or for more publicly beneficial purposes than those who acquire it under the

traditional approaches. At most, they may be driven to derive the greatest profit from it, unless of course they have sufficient resources to hold the spectrum while its value increases as some entrepreneurs hold land. The only certainty about auctions is that they are advantageous to more affluent, typically larger entities. A further certainty about the auction proposal in the instant Petition is that it would designate for sale frequencies which had already been allocated to the SMR industry.

AMTA's dissatisfaction with the prospect of spectrum auctions does not blind it to the problems associated with comparative hearings and lotteries. The former do not appear to be an appropriate license assignment system in this situation. The Association is also aware of the lottery abuses which have caused the FCC to lose confidence in that method. Nonetheless, AMTA remains convinced that a combination of improved pre-lottery criteria and post-licensing restrictions could do much toward salvaging the lottery process. A recent successful effort was the approach used for nationwide non-commercial 220 MHz applicants.^{19/} The Commission established stringent filing and operational requirements along with a substantial filing fee and received a manageable number of ostensibly qualified applicants. AMTA has every reason to believe that a comparable approach for innovator block licensing would be equally successful. It anticipates providing the Commission with more detailed

^{19/} See, 47 C.F.R. §§90.709, 90.713, 90.725.

suggestions regarding appropriate filing, lottery and post-licensing criteria in its Reply Comments.

IV. CONCLUSION

The escalating demand for ubiquitous wireless communication capability is evident. Cellular, paging, satellite and PCS services have become, or are becoming, oriented toward regional, nationwide and sometimes even international coverage. Certain segments of the SMR industry have also begun to respond to customer interest in nationwide service while others continue to focus on more localized user demands. To the extent that both of these interests can be accommodated, the public will be well served.

Because AMTA welcomes the prospect of nationwide SMR roaming capability, and because it agrees that current SMR rules will impede development of that capability in truly secondary and rural markets, it supports Fleet Call's innovator block concept. The Association believes that the modified innovator block proposal recommended herein will facilitate the natural migration of existing SMR operators to expanded coverage and efficient technologies while creating a unique opportunity to implement comparably advanced techniques outside the urbanized areas. AMTA recommends that the FCC initiate a rulemaking proceeding responsive to Fleet Call's Petition, as modified in the instant Comments.

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